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Docket No. 03-00491

BEFORE THE TENNESSEE REGULATORY AUTHORITY

November 24, 2003

In re: Implementation of Federal Communications
Commission's Triennial Review Order (Switching)

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**RESPONSES OF NETWORK TELEPHONE CORPORATION TO
BELLSOUTH'S FIRST SET OF INTERROGATORIES**

INTERROGATORY 1: Identify each switch owned by Network Telephone Corporation that Network Telephone Corporation uses to provide a qualifying service anywhere in Tennessee, irrespective of whether the switch itself is located in the State and regardless of the type of switch (e.g., circuit switch, packet switch, soft switch, host switch, remote switch.)

RESPONSE:

Lucent DRMs at Knoxville, Nashville and Memphis.

Answer provided by Pamela Nelson.

INTERROGATORY 2: For each Switch identified in response to Interrogatory No. 1, please:

- (a) provide the Common Language Location Identifier ("CLLI") code of the switch;
- (b) provide the street address, including the city and state in which the switch is located;
- (c) identify the type of switch by manufacturer and model
- (d) state the total capacity of the switch by providing the maximum number of voice-grade equivalent lines the switch is capable of serving, based on the switch's existing configuration and component parts;
- (e) state the number of voice-grade equivalent lines the switch is current serving based on the switch's existing configuration and component parts; and

- (f) provide information relating to the switch as contained in Telcordia's Local Exchange Routing Guide

RESPONSE:

- a) KNVLTNMADS4
 - b) 410 Magnolia Ave., Knoxville, TN 37917
 - c) Lucent DRM
 - d) 28,800
 - e) 744
 - f) KNVLTNMADS4; DRM; Point Code Flag; Originating & Terminating FGD and OS Tandem—KNVLTNMA84T; STP1—KNVLTNMA21W; STP2—KNVLTNWH21W; OCN—3633; AOCN—G068; LATA—474
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- a) NSVLTNMTDS5
 - b) 185 2nd Ave N., Nashville, TN 37201
 - c) Lucent DRM
 - d) 28,800
 - e) 1426
 - f) NSVLTNMTDS5; DRM; Point Code Flag; Originating & Terminating FGD and OS Tandem—NSVLTNMT84T; STP1—NSVLTNDO21W; STP2—NSVLTNMT21W; OCN—3633; AOCN—G068; LATA—470
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- a) MMPHTNMADS5
 - b) 201 Court Ave., Memphis, TN 38103
 - c) Lucent DRM

- d) 28,800
- e) 2757
- f) MMPHTNMADS5; DRM; Point Code Flag; Originating & Terminating FGD and OS Tandem—MMPHTNMT84T; STP1—NSVLTNDO21W; STP2—NSVLTNMT21W; OCN—3633; AOCN—G068; LATA—470

Answer provided by Pamela Nelson.

INTERROGATORY 3: Identify any other switch not previously identified in Interrogatory No. 1 that Network Telephone Corporation uses to provide a qualifying service anywhere in Tennessee, irrespective of whether the switch itself is located in the State and regardless of the type of switch (e.g., circuit switch, packet switch, soft switch, host switch, remote switch). In answering this interrogatory, do not include ILEC switches used by Network telephone Corporation either on an unbundled or resale basis.

RESPONSE:

N/A

INTERROGATORY 4: For each Switch identified in response to Interrogatory No. 3, please:

- (g) provide the Common Language Location Identifier (“CLLI”) code of the switch;
- (h) provide the street address, including the city and state in which the switch is located;
- (i) identify the type of switch by manufacturer and model

- (j) state the total capacity of the switch by providing the maximum number of voice-grade equivalent lines the switch is capable of serving, based on the switch's existing configuration and component parts;
- (k) state the number of voice-grade equivalent lines the switch is currently serving based on the switch's existing configuration and component parts; and
- (l) provide information relating to the switch as contained in Telcordia's Local Exchange Routing Guide

RESPONSE:

N/A

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INTERROGATORY 5: Identify by name, address, and CLLI code each ILEC wire center area, i.e., the territory served by the wire center, in which you provide qualifying service to any end user customers in Tennessee utilizing any of the switches identified in response to Interrogatory No. 1. If you assert that you cannot identify or do not know how to ascertain the boundaries of a wire center area, provide the requested information for the ILEC exchange in which your end user customer is located.

RESPONSE:

Proprietary Confidential Commercial Information subject to Protective Order in this Proceeding (03-00491) and Exempt from Disclosure Pursuant to 5 U.S.C. 552 (b) (4)

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INTERROGATORY 6: For each ILEC wire center area identified in the foregoing

Interrogatory (or ILEC exchange if you do not provide information by wire center area) identify the total number of voice-grade equivalent lines you are providing to end-user customers in that wire center area from switches identified in response to Interrogatory 1.

RESPONSE:

Proprietary Confidential Commercial Information subject to Protective Order in this Proceeding (03-00491) and Exempt from Disclosure Pursuant to 5 U.S.C. 552 (b) (4)

INTERROGATORY 7: With regard to the voice-grade equivalent lines identified by ILEC wire center area (or ILEC exchange) in response to Interrogatory 6, separate the lines by end user and end user location in the following manner:

- (a) The number of end user customers to whom you provide (1) voice grade equivalent line
- (b) The number of end user customers to whom you provide (2) voice grade equivalent lines
- (c) The number of end user customers to whom you provide (3) voice grade equivalent line
- (d) The number of end user customers to whom you provide (4) voice grade equivalent line
- (e) The number of end user customers to whom you provide (5) voice grade equivalent line

(f) The number of end user customers to whom you provide (6) voice grade equivalent line

(g) The number of end user customers to whom you provide (7) voice grade equivalent line

(h) The number of end user customers to whom you provide (8) voice grade equivalent line

(i) The number of end user customers to whom you provide (9) voice grade equivalent line

(j) The number of end user customers to whom you provide (10) voice grade equivalent line

(k) The number of end user customers to whom you provide (11) voice grade equivalent line

(l) The number of end user customers to whom you provide (12) voice grade equivalent line

(m) The number of end user customers to whom you provide more than (12) voice grade equivalent line

OBJECTION:

This interrogatory asks Network Telephone to break down the total voice-grade equivalent lines identified by I LEC wire center in a prior response on the basis of “end user and end user location.” Network Telephone objects to this interrogatory on the grounds it is vague and ambiguous. The meaning of “customer location” is unclear in context. Network Telephone requests clarification of the item. In the event BellSouth intends to require Network Telephone to provide this information for each customer’ address, Network Telephone objects to the

interrogatory on the basis that it is onerous, unduly burdensome, and asks for confidential, proprietary information that BellSouth does not require for its legitimate discovery purposes.

Objection by Counsel.

INTERROGATORY 8: Identify by name, address, and CLLI code each ILEC wire center area, i.e. the territory served by the wire center, in which you provide qualifying service to any end user customers in Tennessee utilizing any of the switches identified in response to Interrogatory No. 3. If you assert that you cannot identify or do not know how to ascertain the boundaries of a wire center area, provide the requested information for the ILEC exchange in which you end user is located.

RESPONSE: Not applicable

INTERROGATORY 9: For each ILEC wire center area identified in the foregoing Interrogatory (or ILEC exchange if you do not provide information by wire center area) identify the total number of voice-grade equivalent lines you are providing to end user customers in that wire center area for the switches identified in response to Interrogatory No. 3.

RESPONSE: Not applicable

INTERROGATORY 10: With regard to the voice-grade equivalent lines identified by ILEC wire center area (or ILEC exchange) in response to Interrogatory 9, separate the lines by end user and end user location in the following manner:

- (a) The number of end user customers to whom you provide (1) voice grade equivalent line

- (b) The number of end user customers to whom you provide (2) voice grade equivalent lines
- (c) The number of end user customers to whom you provide (3) voice grade equivalent line
- (d) The number of end user customers to whom you provide (4) voice grade equivalent line
- (e) The number of end user customers to whom you provide (5) voice grade equivalent line
- (f) The number of end user customers to whom you provide (6) voice grade equivalent line
- (g) The number of end user customers to whom you provide (7) voice grade equivalent line
- (h) The number of end user customers to whom you provide (8) voice grade equivalent line
- (i) The number of end user customers to whom you provide (9) voice grade equivalent line
- (j) The number of end user customers to whom you provide (10) voice grade equivalent line
- (k) The number of end user customers to whom you provide (11) voice grade equivalent line
- (l) The number of end user customers to whom you provide (12) voice grade equivalent line

(m) The number of end user customers to whom you provide more than (12) voice grade equivalent line

RESPONSE: Not applicable.

INTERROGATORY 11: Identify by name, address, and CLLI code each ILEC wire center area, i.e., the territory serviced by the wire center, in which you provide qualifying service to any end user customers in Tennessee using an ILEC's switch either on an unbundled or resale basis. If you assert that you cannot identify or do not know how to ascertain the boundaries of a wire center area, provide the requested information for the ILEC exchange in which your end user customer is located.

OBJECTION:

Network Telephone objects to this interrogatory on the grounds that, with respect to the information relating to the wire center area of a BellSouth switch used by Network Telephone, the information is already in BellSouth's possession. Network Telephone does not use ILEC switching other than that provided by BellSouth. To require Network Telephone to expend time and resources to prepare and provide information already well known to BellSouth would be unduly burdensome and oppressive.

INTERROGATORY 12: For each ILEC wire center area identified in the foregoing Interrogatory (or ILEC exchange if you do not provide the information by wire center area) identify the total number of voice - grade equivalent lines you are providing to end user customers in that wire center area using an ILEC's switch either on an unbundled or resale basis.

OBJECTION:

Network Telephone objects to this interrogatory on the grounds that, with respect to the information relating to the wire center area of a BellSouth switch used by Network Telephone, the information is already in BellSouth's possession. Network Telephone does not use ILEC switching other than that provided by BellSouth. To require Network Telephone to expend time and resources to prepare and provide information already well known to BellSouth would be unduly burdensome and oppressive.

INTERROGATORY 13: With regard to the voice-grade equivalent lines identified by ILEC wire center area (or ILEC exchange) in response to Interrogatory 12, separate the lines by end user and end user location in the following manner:

(a) The number of end user customers to whom you provide one (1) voice-grade equivalent line;

(b) The number of end user customers to whom you provide two (2) voice-grade equivalent lines;

(c) The number of end user customers to whom you provide three (3) voice-grade equivalent lines;

(d) The number of end user customers to whom you provide four (4) voice-grade equivalent lines;

(e) The number of end user customers to whom you provide five (5) voice-grade equivalent lines;

(f) The number of end user customers to whom you provide six (6) voice-grade equivalent lines;

(g) The number of end user customers to whom you provide seven (7) voice-grade equivalent lines;

(h) The number of end user customers to whom you provide eight (8) voice-grade equivalent lines;

(i) The number of end user customers to whom you provide nine (9) voice-grade equivalent lines;

(j) The number of end user customers to whom you provide ten (10) voice-grade equivalent lines;

(k) The number of end user customers to whom you provide eleven (11) voice-grade equivalent lines;

(l) The number of end user customers to whom you provide twelve (12) voice-grade equivalent lines;

(m) The number of end user customers to whom you provide more than twelve (12) voice-grade equivalent lines;

OBJECTION:

Network Telephone objects to this interrogatory on the grounds that, with respect to the information relating to the wire center area of a BellSouth switch used by Network Telephone, the information is already in BellSouth's possession. Network Telephone does not use ILEC switching other than that provided by BellSouth. To require Network Telephone to expend time

and resources to prepare and provide information already well known to BellSouth would be unduly burdensome and oppressive.

INTERROGATORY 14: Do you offer to provide or do you provide switching capacity to another local exchange carrier for its use in providing qualifying service anywhere in the nine states in the BellSouth region. If the answer to this Interrogatory is in the affirmative, for each switch that you use to offer or provide such switching capacity, please:

- (a) provide the Common Language Location Identifier (“CLLI”) code of the switch;
- (b) provide the street address, including the city and state in which the switch is located;
- (c) identify the type of switch by manufacturer and model
- (d) state the total capacity of the switch by providing the maximum number of voice-grade equivalent lines the switch is capable OF serving, based on the switch’s existing configuration and component parts;
- (e) state the number of voice-grade equivalent lines the switch is currently serving based on the switch’s existing configuration and component parts; and
- (f) Identify all documents referring or relating to the rates, terms, and conditions of Network Telephone Corporations’ provision of switching capability.

RESPONSE

Network Telephone does not provide wholesale switching to another local exchange carrier at any location in Tennessee. A response to this interrogatory has been provided in Docket 29054 in Alabama with regard to the remaining states in the BellSouth area.

OBJECTION:

14(f) Network Telephone objects to this interrogatory on the grounds that certain information

requested by BellSouth regarding the “rates, terms and conditions of Network Telephone’s switching” capability is irrelevant and not reasonably calculated to lead to the discovery of admissible evidence. Additionally, this interrogatory requests information regarding “voice grade equivalent lines,” BellSouth’s definition of which is vague and ambiguous as more fully explained in General Objection 10 above. Moreover, Network Telephone objects on the grounds that the information sought contains confidential, proprietary business or commercial information and production of this information would lead to disclosure of information regarding Network Telephone’s confidential, internal operations that could seriously damage its business. Network Telephone objects to the request to the extent it seeks or may be deemed to seek or require the production or disclosure of information or documents subject to the attorney/client or other privileges, the work product doctrine or the protection afforded mental impressions, conclusions, opinions or legal theories of Network Telephone’s attorneys or its representatives.

INTERROGATORY 15: Identify every business case in your possession, custody or control that evaluates, discusses, analyzes or otherwise refers or relates to the offering of a qualifying service using: (1) the Unbundled Network Element Platform (UNE-P), (2) self-provisioned switching, (3) switching obtained from a third party provider other than an ILEC, or (4) any combination of these items.

OBJECTION:

Network Telephone objects to this interrogatory on the grounds it seeks information that is irrelevant and not reasonably calculated to lead to the discovery of admissible evidence, inasmuch as the FCC has determined that the analysis of impairment will not be based on individual carriers’ business cases. Network Telephone also objects on the grounds that the

interrogatory seeks the disclosure of commercially sensitive, confidential and proprietary business information. Network Telephone also objects because as defined within the interrogatories the term “business case” is overbroad. Network Telephone also objects because, particularly in view of the fact the information is irrelevant, requiring Network Telephone to disclose its internal analyses would be oppressive and unduly burdensome.

Objection by Counsel.

INTERROGATORY 16: Identify any documents that you have provided to any of your employees or agents, or to any financial analyst, bank or other financial institution, shareholder or any other person that describes, presents, evaluates or otherwise discusses in whole or in part, how you intend to offer or provide local exchange service, including but not limited to such things as the markets in which you either do participate or intend to participate, the costs of providing such service, the market share you anticipate obtaining in each market, the time horizon over which you anticipate obtaining such market share, and the average revenues you expect per customer.

OBJECTION:

Network Telephone objects to this interrogatory on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on business models of individual carriers, it seeks information that is irrelevant to the impairment analysis to be conducted by the Commission and is not reasonable calculated to lead to the discovery of admissible evidence. Network Telephone also objects on the grounds the interrogatory is overbroad, oppressive, and unduly burdensome. Network Telephone objects on the grounds the interrogatory requests proprietary and confidential business information.

Objection by Counsel.

INTERROGATORY 17: If not identified in response to a prior Interrogatory, identify every document in your possession, custody, or control referring or relating to the financial viability of self-provisioning switching in your providing qualifying services to end user customers.

OBJECTION:

Network Telephone objects to this interrogatory on the grounds that the request to identify "every" document is unduly burdensome and oppressive. Network Telephone also objects on that grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on business models of individual carriers, it seeks information that is irrelevant to the impairment analysis to be conducted by the Commission and is not reasonable calculated to lead to the discovery of admissible evidence. Network Telephone also objects on the grounds the interrogatory is overbroad, oppressive, and unduly burdensome. Network Telephone objects on the grounds the interrogatory requests proprietary and confidential business information.

Objection by Counsel.

INTERROGATORY 18: Do you have switches that are technically capable of providing, but are not presently being used to provide, a qualifying service in Tennessee?

RESPONSE: No.

INTERROGATORY 19: Identify each MSA in Tennessee where you are currently offering a qualifying service without regard to whether you are offering the service using your own facilities, UNE-P, resale, or in some other fashion.

RESPONSE: Qualifying services are offered in Chattanooga, Jackson, Knoxville, Memphis and Nashville.

INTERROGATORY 20: If you offer a qualifying service outside of the MSAs identified in response to Interrogatory 19, identify those geographic areas either by describing those areas in words or by providing maps depicting the geographic areas in which you offer such service, without regard to whether you are offering the service using your own facilities, UNE-P, resale, or in some other fashion.

RESPONSE: Network Telephone offers qualifying service in the Collierville and Franklin exchanges in Tennessee. The geographic boundaries of the service offerings are limited based on the combined availability of clean loops and loop lengths necessary to provide DSL service from Network Telephone's collocations in those exchanges.

INTERROGATORY 21: Describe with particularity the qualifying services that you offer in the geographic areas described in response to Interrogatories 19 and 20, including the rates, terms and conditions under which such services are offered. If the qualifying services you offer in those areas vary by area, provide a separate statement of services offered and the rates, terms and conditions under which such services are offered. If the qualifying services you offer in those areas vary by area, provide a separate statement of services offered and the rates, terms and conditions for such services in each area. If this information is contained on a publicly available

web site that clearly identifies the relevant geographic areas and identifies the relevant rates, terms and conditions for such areas, it will be a sufficient answer to identify that website. It will not be a sufficient response if the web site requires the provision of a telephone number or series of telephone numbers in order to identify the geographic area in which you provide such service, or the rates, terms and conditions upon which service is provided.

RESPONSE: Network Telephone's service areas, rates, terms, and conditions are listed on the Company's public website at www.networktelephone.net.

INTERROGATORY 22: Identify each MSA in Tennessee where you are currently offering a non-qualifying service without regard to whether you are offering the service using your own facilities, UNE-P, resale, or in some other fashion.

RESPONSE: With the caveat and objection that Network Telephone believes the term "non-qualifying service" to be ambiguous, notwithstanding that objection, and without waiving it, based on Network's understanding of that term the answer is "none."

INTERROGATORY 23: If you offer a non-qualifying service outside of the MSAs identified in response to Interrogatory 22, identify those geographic areas either by describing those areas in words or by providing maps depicting the geographic areas in which you offer such service, without regard to whether you are offering the service using your own facilities, UNE-P, resale, or in some other fashion.

RESPONSE: With the caveat and objection that Network Telephone believes the term "non-qualifying service" to be ambiguous, notwithstanding that objection, and without waiving it, based on Network's understanding of that term the answer is "none."

INTERROGATORY 24: Describe with particularity the non-qualifying services that you offer in the geographic areas described in response to Interrogatories 22 and 23, including the rates, terms and conditions under which such services are offered. If the non-qualifying services you offer in those areas vary by area, provide a separate statement of services offered and the rates, terms and conditions for such services in each area. If this information is contained on a publicly available web site that clearly identified the relevant geographic areas and identified the relevant rates, terms and conditions for such areas, it will be a sufficient answer to identify that web site. It will not be a sufficient response if the web site requires the provision of a telephone number or series of telephone numbers in order to identify the geographic area in which you provide such service, or the rates, terms and conditions upon which service is provided.

RESPONSE: With the caveat and objection that Network Telephone believes the term “non-qualifying service” to be ambiguous, notwithstanding that objection, and without waiving it, based on Network’s understanding of that term the answer is “none.”

INTERROGATORY 25: Please state the total number of end user customers in the State of Tennessee to whom you only provide qualifying service.

RESPONSE: 1,700

Answer provided by Rich Eby.

INTERROGATORY 26: For those end user customers to whom you only provide qualifying service in the State of Tennessee, please state the average monthly revenues you receive from each such end user customer.

OBJECTION:

Network Telephone objects to this interrogatory on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on business models of individual carriers, it seeks information that is irrelevant to the impairment analysis to be conducted by the Commission and is not reasonable calculated to lead to the discovery of admissible evidence. Network Telephone also objects on the grounds the interrogatory is overbroad, oppressive, and unduly burdensome. Network Telephone objects on the grounds the interrogatory requests proprietary and confidential business information. Network Telephone interprets this interrogatory to request aggregate information. If BellSouth intended to request average monthly revenues for each individual end use customer, then Network Telephone objects on the grounds that the interrogatory is unduly burdensome and oppressive, and beyond any legitimate discovery need.

INTERROGATORY 27: For those end user customers to whom you only provide qualifying service in the State of Tennessee, please state the average number of lines that you provide each such end user customer.

RESPONSE: Five

Answer provided by Rich Eby.

INTERROGATORY 28: Please state the total number of end users customers in the State of Tennessee to whom you only provide non-qualifying service.

RESPONSE: With the caveat and objection that Network Telephone believes the term “non-qualifying service” to be ambiguous, notwithstanding that objection, and without waiving it, based on Network’s understanding of that term the answer is “none.”

INTERROGATORY 29: For those end user customers to whom you only provide non-qualifying service in the State of Tennessee, please state the average monthly revenue you receive from each such end user customer.

RESPONSE: Not applicable.

INTERROGATORY 30: Please state the total number of end-user customer in the State of Tennessee to whom you provide both qualifying and non-qualifying service.

RESPONSE: With the caveat and objection that Network Telephone believes the term “non-qualifying service” to be ambiguous, notwithstanding that objection, and without waiving it, based on Network’s understanding of that term the answer is “none.”

INTERROGATORY 31: For those end user customers to whom you provide qualifying and non-qualifying service in the State of Tennessee, please state the average monthly revenues you receive from each such end user customers.

RESPONSE: With the caveat and objection that Network Telephone believes the term “non-qualifying service” to be ambiguous, notwithstanding that objection, and without waiving it, based on Network’s understanding of that term the answer is “none.”

INTERROGATORY 32: For those end user customers who whom you provide qualifying and non-qualifying service in the State of Tennessee, please state the average number of lines that you provide each such end user customer.

RESPONSE: Not applicable.

INTERROGATORY 33: Please provide a breakdown of the total number of end user customers served by Network Telephone Corporation in Tennessee by class or type of end user customers (e.g., residential customers, small business customers, mass market customers, enterprise customers, or whatever type of classification that you use to classify your customers. For each such classification, and/or if you provide another type of classification, define and describe with specificity the classification so that it can be determined what kinds of customers you have in each classification.)

RESPONSE: Network Telephone classifies end-users in only two basic types – residential and business. Residential end-user lines are lines which terminate at a private residence location and for which a business name or listing is not used. Business end-user lines terminate at an office or business location. Rates are divided into one of the two categories. Network Telephone has 18 residential end-user customers in Tennessee, and 1,682 business end-user customers in Tennessee.

Answer provided by Rich Eby

INTERROGATORY 34: For each class or type of end user customer referenced in Interrogatory No. 33, please state the average acquisition cost for each such end user class or type. Please provide this information for each month from January 2000 to the present.

OBJECTION:

Network Telephone objects to this interrogatory on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on business models of individual carriers, it seeks information that is irrelevant to the impairment analysis to be conducted by the Commission and is not reasonable calculated to lead to the discovery of admissible evidence.

Network Telephone objects on the grounds the interrogatory seeks the disclosure of commercially sensitive, proprietary and confidential business information. Network Telephone objects to the request for information on a monthly basis since January 2000 as onerous, oppressive, unduly burdensome and beyond any legitimate discovery need.

INTERROGATORY 35: For each class or type of end user customer referenced in Interrogatory No. 33, please state the typical churn rate for each such end user class or type. Please provide this information for each month from January 2000 to the present.

OBJECTION:

Network Telephone objects to this interrogatory on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on business models of individual carriers, it seeks information that is irrelevant to the impairment analysis to be conducted by the Commission and is not reasonable calculated to lead to the discovery of admissible evidence.

Network Telephone objects on the grounds the interrogatory seeks the disclosure of commercially sensitive, proprietary and confidential business information. Network Telephone objects to the request for information on a monthly basis since January 2000 as onerous, oppressive, unduly burdensome and beyond any legitimate discovery need.

INTERROGATORY 36: For each class or type of end user customer referenced in Interrogatory No. 33, please state the percentage of the local exchange market you have obtained. Please provide this information for each month from January 2000 to the present.

RESPONSE: Network Telephone has no monthly data on the percentage of Tennessee's local exchange market it has obtained.

INTERROGATORY 37: Identify any documents in your possession, custody or control that evaluate, discuss or otherwise refer or relate to your cumulative market share of the local exchange market in Tennessee.

RESPONSE: None.

INTERROGATORY 38: Identify any documents in your possession, custody or control that evaluate, discuss or otherwise refer or relate to any projections that you have made regarding your cumulative market share growth in the local exchange market in Tennessee.

RESPONSE: None. Network Telephone does not attempt to project its share of Tennessee's market.

INTERROGATORY 39: Describe how the marketing organization that is responsible for marketing qualifying service in Tennessee is organized, including the organization's structure, size in terms of full time or equivalent employees including contract and temporary employees, and the physical work locations for such employees. In answering this Interrogatory, please state whether you utilize authorized sales representatives in your marketing efforts in Tennessee, and, if so, describe with particularity the nature, extent, and rates, terms, and conditions of such use.

OBJECTION:

Network Telephone objects to this interrogatory on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on business models of individual carriers, it seeks information that is irrelevant to the impairment analysis to be conducted by the Commission and is not reasonable calculated to lead to the discovery of admissible evidence.

Network Telephone objects on the grounds the interrogatory seeks the disclosure of commercially sensitive, proprietary and confidential business information. Network Telephone objects on the grounds the interrogatory as framed is overbroad and unduly burdensome.

INTERROGATORY NO. 40: How do you determine whether you will serve an individual customer's location with multiple DSOs or whether you are going to use a DS1 or larger transmission system? Provide a detailed description of the analysis you would undertake to resolve this issue, and identify the factors that you would consider in making this type of a decision.

RESPONSE: Network Telephone does not have a set formula for this determination. The decision is made on a case by case basis, taking into account such factors as whether the customer is inside or outside Network's footprint, the UNE pricing zone, and whether or not an EEL is available.

Answer provided by Wendell Nelson.

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INTERROGATORY NO. 41: Is there a typical or average number of DSOs at which you would chose to serve a particular customer with a DS1 or larger transmission system, all other

things being equal? If so, please provide that typical or average number and explain how this number was derived.

RESPONSE:

Proprietary Confidential Commercial Information subject to Protective Order in this Proceeding (03-00491) and Exempt from Disclosure Pursuant to 5 U.S.C. 552 (b) (4)

INTERROGATORY 42: What additional equipment, if any, would be required (on the customer's side of the demarcation point rather than on network side of the demarcation point) to provide service to a customer with a DS1 rather than multiple DS0s? For instance, if a customer had 10 DS0s, and you want to provide the customer with the same functionality using a DS1, would a D-4 channel bank, or a digital PBX be required in order to provide equivalent service to the end user that has 10 DS0s? If so, please provide the average cost of the equipment that would be required to provide that functional equivalency (that is, the channel bank, or the PBX or whatever would typically be required should you decide to serve the customer with a DS1 rather than multiple DS0s.)

RESPONSE: Based on Network Telephone's technology methods we would provide an Integrated Access Device) in order to provision analog voice services via digital T1 transmission. The average cost of the IAD is dependent upon the transport method utilized. In addition to providing service via digital T1 transmission, Network Telephone also provides service via VoDSL technology. The average cost of a digital T1 IAD is \$550. The average cost of a SDSL IAD is \$400.

Answer provided by Wendell Nelson.

INTERROGATORY 43: What cost of capital do you use in evaluating whether to offer a qualifying service in a particular geographic market and how is that cost of capital determined?

OBJECTION:

Network Telephone objects to this interrogatory on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on business models of individual carriers, it seeks information that is irrelevant to the impairment analysis to be conducted by the Commission and is not reasonable calculated to lead to the discovery of admissible evidence.

Network Telephone objects on the grounds the interrogatory seeks the disclosure of commercially sensitive, proprietary and confidential business information.

INTERROGATORY 44: With regard to the cost of capital you use in evaluating whether to provide a qualifying service in a particular geographic market, what are the individual components of that cost of capital, such as the debt-equity ratio, the cost of debt and the cost of equity?

OBJECTION: Network Telephone objects to this interrogatory on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on business models of individual carriers, it seeks information that is irrelevant to the impairment analysis to be conducted by the Commission and is not reasonable calculated to lead to the discovery of admissible evidence. Network Telephone objects on the grounds the interrogatory seeks the disclosure of commercially sensitive, proprietary and confidential business information.

INTERROGATORY 45: In determining whether to offer a qualifying service in a particular geographic market, what time period do you typically use to evaluate that offer? That is, do you use one year, five years, ten years, or some other time horizon over which you evaluate the project?

RESPONSE: Qualifying services are evaluated over the proposed term of any related contract and a five-year period. If the service is to be offered without a term agreement, then a standard two-year and five-year time horizon is used.

Answer provided by Danyelle Kennedy.

INTERROGATORY 46: Provide your definition of sales expense as that term is used in your business.

RESPONSE: Sales expense includes salaries, commission and bonuses paid to personnel within Network Telephone who are involved with directly selling to customers through either the direct sales force, inside sales, direct marketing and agent/wholesale channels. This does include sales management and administrative support. Any marketing or advertising expenses incurred during the sales cycle are included. This excludes the rent, utilities and other facility-related costs for our sales offices as these costs are considered general and administrative.

Answer provided by Danyelle Kennedy.

INTERROGATORY 47: Based on the definition of sales expense in the foregoing Interrogatory, please state how you estimate sales expense when evaluating whether to offer a qualifying service in a particular geographic market?

RESPONSE: Sales expense is tracked monthly on a per line added basis. Using this actual historical information, a six-month average is taken to use as an estimate for any product/service offering analysis.

Answer provided by Danyelle Kennedy.

INTERROGATORY 48: Provide your definition of general and administrative (G&A) costs as you use those terms in your business.

RESPONSE: General and administrative costs include all expenses, excluding direct sales expenses as defined above, that are incurred in the day-to-day management of the business. These costs include, but are not exclusively limited to, the following:

- Salaries and bonuses for all personnel outside of sales
- Employee benefits for all personnel within the organization including sales
- Facilities costs – i.e. rent, utilities, office cleaning, etc.
- Repair and maintenance
- Employee reward, recognition and morale
- Travel and entertainment expenses, excluding sales
- Dues and subscriptions
- Office and billing supplies
- Recruiting expenses
- Vehicle and fuel expense
- Relocation and severance expenses
- Telecommunication expenses – i.e. cell phones, pages, and corporate telecommunications services

- Freight
- Equipment rental
- Taxes and licenses
- Loss on disposition of equipment

Answer provided by Danyelle Kennedy.

INTERROGATORY 49: Based on the definition of G&A costs in the foregoing

Interrogatory, please state how you estimate G&A expenses when evaluating whether to offer a qualifying service in a particular geographic market.

RESPONSE: G&A expenses are factored in only if incremental additional headcount is needed to support the ongoing product. G&A expenses are tracked monthly on a per employee basis. Using this actual historical information, a six-month average is taken to use as an estimate for any product/service offering analysis based on the estimated incremental man-hours need to support the product/service offering.

Answer provided by Danyelle Kennedy.

INTERROGATORY 50: For each day since January 1, 2000, identify the number of individual hot cuts that Bellsouth has performed for Network Telephone Corporation in each state in BellSouth's region.

RESPONSE: None.

INTERROGATORY 51: For each individual hot cut identified in response to Interrogatory No. 50, state:

- i. Whether the hot cut was coordinated or not;
- ii. If coordinated, whether the hot cut occurred as scheduled;
- iii. If the hot cut did not occur as scheduled, state whether this was due to a problem with BellSouth, Network Telephone Corporation, the end user customer, or some third party, and describe with specificity the reason the hot cut did not occur as scheduled;
- iv. If there was a problem with the hot cut, state whether Network Telephone Corporation complained in writing to BellSouth or anyone else.

RESPONSE: Not applicable.

INTERROGATORY 52: Does Network Telephone Corporation have a preferred process for performing batch hot cuts? If the answer to this Interrogatory is in the affirmative, please describe this process with particularity and identify all documents that discuss, describe or otherwise refer or relate to this preferred process.

RESPONSE: No.

INTERROGATORY 53: Does Network telephone Corporation have a preferred process for performing individual hot cuts? If the answer to this Interrogatory is in the affirmative, please describe this process with particularity and identify all documents that discuss, describe, or otherwise relate to this preferred process.

RESPONSE: No.

INTERROGATORY 54

(Withdrawn by BellSouth)

INTERROGATORY 55: If Network Telephone has a preferred process for individual hot cuts that differs from BellSouth's process, identify each specific step in Network Telephone Corporation's process that differs from BellSouth's process.

RESPONSE: Not applicable.

INTERROGATORY 56: If Network Telephone Corporation has a preferred process for bulk hot cuts that differs from BellSouth's process, identify each specific step in Network Telephone Corporation's process that differs from BellSouth's process.

RESPONSE: Not applicable.

INTERROGATORY 57: Does Network Telephone Corporation have any estimates of what a typical individual hot cut should cost? If the answer to this Interrogatory is in the affirmative, please provide that estimate, describe with particularity how that estimate was calculated, and identify all documents referring or relating to such estimates.

RESPONSE: No.

INTERROGATORY 58: Does Network Telephone Corporation have any estimates of what a typical bulk hot cut should cost? If the answer to this Interrogatory is in the affirmative, please provide that estimate, describe with particularity how that estimate was calculated, and identify all documents referring or relating to such estimates.

RESPONSE: No.

INTERROGATORY 59: What is the largest number of individual hot customers that Network Telephone Corporation has requested in any individual central office in each of the nine BellSouth states on a single day?

RESPONSE: None.

INTERROGATORY 60: Does any ILEC in the BellSouth region have a batch hot cut process that is acceptable to Network Telephone Corporation or that Network Telephone Corporation believes is superior to BellSouth's hot cut process? If so, identify the ILEC and describe with particularity the ILEC's batch hot cut process, specifying any differences between the ILEC's batch hot cut process and BellSouth's.

RESPONSE: Network Telephone has not evaluated the batch hot cut processes of other carriers.

INTERROGATORY 61: Does any ILEC in the BellSouth region have a cost for a batch hot cut process that is acceptable to Network Telephone Corporation? If so, name the ILEC and provide the rate and the source of the rate.

RESPONSE: Network Telephone has not evaluated the batch hot cut costs of other carriers.

INTERROGATORY 62: Does any ILEC in the BellSouth region have an individual hot cut process that is acceptable to Network Telephone Corporation or that Network Telephone Corporation believes is superior to BellSouth's individual hot cut process? If so, identify the

ILEC and describe with particularity the ILEC's individual hot cut process, specifying any differences between the ILEC's individual hot cut process and BellSouth's.

RESPONSE: Network Telephone has not evaluated the individual hot cut process of other carriers.

INTERROGATORY 63: Does any ILEC in the BellSouth region have a rate for an individual hot cut process that is acceptable to Network Telephone Corporation? If so, name the ILEC and provide the rate and the source of the rate.

RESPONSE: Network Telephone has not evaluated the individual hot cut rates of other carriers.

INTERROGATORY 64: Does any ILEC outside the BellSouth region have a batch hot cut process that is acceptable to Network Telephone Corporation or that Network Telephone Corporation believes is superior to BellSouth's batch hot cut process? If so, identify the ILEC and describe with particularity the ILEC's batch hot cut process, specifying any differences between the ILEC's batch hot cut process and BellSouth's.

RESPONSE: Network Telephone has not evaluated the batch hot cut process of other carriers.

INTERROGATORY 65: Does any ILEC outside the BellSouth region have a rate for a batch hot cut process that is acceptable to Network Telephone Corporation? If so, name the ILEC and provide the rate and the source of the rate.

RESPONSE: Network Telephone has not evaluated the batch hot cut costs of other carriers.

INTERROGATORY 66: Does any ILEC outside the BellSouth region have an individual hot cut process that is acceptable to Network Telephone Corporation or that Network Telephone Corporation believes is superior to BellSouth's individual hot cut process? If so, identify the ILEC and describe with particularity the ILEC's individual hot cut process, specifying any differences between the ILEC's individual hot cut process and BellSouth's.

RESPONSE: Network Telephone has not evaluated the individual hot cut process of other carriers.

INTERROGATORY 67: Does any ILEC outside the BellSouth region have a rate for an individual hot cut process that is acceptable to Network Telephone Corporation? If so, name the ILEC and provide the rate and the source of the rate.

RESPONSE: Network Telephone has not evaluated the individual hot cut rates of other carriers.

INTERROGATORY 68: Does Network Telephone Corporation order coordinated or non-coordinated hot cuts?

RESPONSE: Network Telephone does not order hot cuts.

INTERROGATORY 69: Does Network Telephone use the CFA database?

RESPONSE: No.

INTERROGATORY 70: Identify every issue related to BellSouth's hot cut process raised by Network Telephone Corporation at the Tennessee CLEC collaborative since October 2001.

RESPONSE: None.

INTERROGATORY 71: What is the appropriate volume of loops that you contend the Tennessee Public Service Commission should use in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: Network Telephone has not established an individual company position regarding the number of loops that should be used in establishing a batch hot cut process.

INTERROGATORY 72: What is the appropriate process that you contend the Tennessee Public Service Commission should use in establishing a batch hot cut process consistent with FCC rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: Network Telephone has not established an individual company position regarding the process that should be used for batch hot cuts.

INTERROGATORY 73: If Network Telephone Corporation disagrees with BellSouth's individual hot cut process, identify every step that Network Telephone Corporation contends is unnecessary and state with specificity why the step is unnecessary.

RESPONSE: Since Network Telephone has not used the individual hot cut process, we are not in a position to either agree or disagree with the particularities of the process.

INTERROGATORY 74: If Network Telephone Corporation disagrees with BellSouth's bulk hot cut process, identify every step that Network Telephone Corporation contends is unnecessary and state with specificity why the step is unnecessary.

RESPONSE: Since Network Telephone has not used the bulk hot cut process, we are not in a position to either agree or disagree with the particularities of the process.

INTERROGATORY 75: Identify by date, author and recipient every written complaint Network Telephone Corporation has made to BellSouth regarding BellSouth's hot cut process since October 2001.

RESPONSE: None.

INTERROGATORY 76: How many unbundled loops does Network Telephone Corporation contend BellSouth must provision per state per month to constitute sufficient volume to assess BellSouth's hot cut process?

RESPONSE: Network Telephone has not established an individual company position regarding the number of loops that should be used in evaluating the batch hot cut process.

INTERROGATORY 77: What is the appropriate information that you contend the Tennessee Public Service Commission should consider in evaluating whether the ILEC is capable of migrating multiple lines served using unbundled local circuit switching to switches

operated by a carrier other than the ILEC in a timely manner in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: Network Telephone has not established an individual company position regarding the information that should be used in evaluating the migration of multiple lines to the switches of other carriers.

INTERROGATORY 78: What is the average completion interval metric for provision of high volumes of loops that you contend the Tennessee Public Service Commission should require in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: Network Telephone has not established an individual company position regarding the completion interval metric that should be used in establishing a batch hot cut process.

INTERROGATORY 79: What are the rates that you contend the Tennessee Public Service Commission should adopt in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: Network Telephone has not established an individual company position regarding the rates the Commission should adopt in establishing a batch hot cut process.

INTERROGATORY 80: What are the appropriate product markets that you contend the Tennessee Public Service Commission should use in implementing FCC Rule 51.319(d)(2)(i)?

In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: Network Telephone has not established an individual company position on the appropriate market products that should be used.

INTERROGATORY 81: What are the appropriate geographic market(s) that you contend the Tennessee Public Service Commission should use in implementing FCC Rule 51.319(d)(2)(i)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: Network Telephone has not established an individual company position on the appropriate geographic markets that should be used.

INTERROGATORY 82: Do you contend that there are operational barriers within the meaning of FCC Rule 52.319(d)(2)(iii)(B)(2) that would support a finding that requesting telecommunications carriers are impaired without access to local circuit switching on an unbundled basis in a particular market? If the answer to this Interrogatory is in the affirmative, describe with particularity each such operational barrier, and state all facts and identify all documents supporting your contention.

RESPONSE: Network Telephone has not established an individual company position on this issue.

INTERROGATORY 83: Do you contend that there are economic barriers within the meaning of FCC Rule 52.319(d)(2)(iii)(B)(3) that would support a finding that requesting

telecommunications carriers are impaired without access to local circuit switching on an unbundled basis in a particular market? If the answer to this Interrogatory is in the affirmative, describe with particularity each such operational barrier, and state all facts and identify all documents supporting your contention.

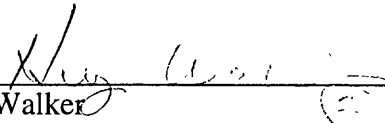
RESPONSE: Network Telephone believes the constraints facing the current market with regard to investment certainly post an economic barrier fro a company newly entering the switched based market. The cost of new switching deployment is substantial. At this point, however, Network telephone has not established a more detailed company position on this issue. Network Telephone has not established an individual company position on this issue.

INTERROGATORY 84: What is the maximum number of DS0 loops for each geographic market that you contend requesting telecommunications carriers can serve through unbundled switching when serving multiline end users at a single location that the Tennessee Public Service Commission should consider in establishing a “cutoff” consistent with FCC Rule 51.319(d)(2)(iii)(B)(4)? In answering this interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: Network Telephone has not established an individual company position on this issue.

Respectfully submitted,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

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